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RICHARD A ALLEN

September 12, 2008

BY HAND DELIVERY

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E St , S.W.
Washington, D C 20423-0001

ENTERED
Office of Proceedings

SEP 12 2008

Part of
Public Record

223582

**Re: STB Finance Docket No. 35147, Norfolk Southern Railway Company,
Pan Am Railways, Inc. *et al.* – Joint Control and Operating/Pooling
Agreements–Pan Am Southern LLC**

Dear Secretary Quinlan:

After Applicants review of their Response To Comments And Requests For Conditions And Rebuttal In Support Of Application (NS/PA-4), we became of the following errata in the submission;

1. On page 22, second paragraph, fifth line, substitute the word “lands” for the word “lines”
2. On page 23, first paragraph, first line, delete the redundant phrase “have now”.
3. On page 26, second paragraph, third line, change the word “owner” to “owned”.
4. On page 45, second paragraph, third line, change the word “service” to the past tense “serviced”
5. On page 51, third paragraph, first line, capitalize the word “state” to “State”.
6. On page 55, in footnote 34, eighth line, add an end quote to the word “employees”.
7. On page 63, in footnote 39, substitute the word “owned” for the word “owed”
8. Page 3 of the Verified Statement of Robert B. Culliford (Tab 1 of NS/PA-4) was miscolated and appears as the first page 3 of the Verified Statement of Sydney B. Culliford (Tab 2 of NS/PA-4). Correctly collated verified statements of Robert B. Culliford and Sydney B. Culliford, together with the originals of their signed verifications, are attached to this errata

ZUCKERT SCOUTT & RASENBERGER, LLP

Please enter this letter into the record of this proceeding.

Sincerely,

A handwritten signature in black ink, reading "Christina Wenzel". The signature is written in a cursive, flowing style.

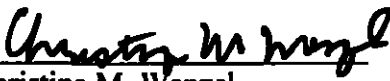
Christina M. Wenzel

Encl.

cc: (w/encl) All Parties of Record

CERTIFICATE OF SERVICE

I certify that I have this 12th day of September, 2008 served a copy of the foregoing Applicants' Letter regarding errata in its Response To Comments And Requests For Conditions and Rebuttal In Support of Application (NS/PA-4), in STB Finance Docket No. 35147, by first class mail, postage prepaid, upon all the parties of record.


Christina M. Wenzel

VERIFIED STATEMENT OF ROBERT B. CULLIFORD

Robert B. Culliford states as follows:

1. I am Senior Vice President and General Counsel of Pan Am Railways, Inc., an applicant in this matter and the parent company for additional applicants Springfield Terminal Railway Company ("Springfield Terminal") and Boston and Maine Corporation ("B&M") (collectively "PARI"). My business address is 400 Amherst Street, Suite 405, Nashua, New Hampshire 03063. I make this statement in support of Applicants' Response to Comments and Requests for Conditions and Rebuttal In Support of Application ("Applicants' Response") in Surface Transportation Board ("STB") Docket No. 35147.

2. In 1976, B&M sold certain of its lines to the Massachusetts Bay Transportation Authority ("MBTA") for commuter rail operations, retaining an exclusive easement to perform freight operations over those lines. A portion of this freight easement extends from Littleton, Massachusetts to Fitchburg, Massachusetts (the "Segment"), and is a necessary component to the formation and proposed operations of Pan Am Southern LLC ("PAS"). In 1987, B&M assigned its freight operating easement over MBTA lines to its affiliate, Springfield Terminal. Exhibit 1 to this statement is a letter notifying MBTA of this assignment.

3. In advance of the application filed in this matter on May 30, 2008 ("Application"), Sydney B. Culliford, Executive Vice President of PARI's subsidiaries, and I met with John D. Ray, Director of Commuter Rail Operations of MBTA, and Joseph Cosgrove, the MBTA's Director of Planning, on or about May 7, 2008 at

MBTA's offices in Boston, Massachusetts to describe the elements of the Transaction (as that term is defined in the Application) and to inform them of Applicants' intent shortly to file the Application to obtain STB approval of the Transaction.

4 As part of this discussion, Mr Cosgrove and Mr. Ray were informed that the Transaction for which Applicants would be seeking STB approval would include the formation of a new railroad, Pan Am Southern LLC ("PAS"), and the assignment by Springfield Terminal to PAS of that portion of the freight easement over the Segment as well as PAS's grant of certain trackage rights over the Segment to Norfolk Southern and Springfield Terminal. To demonstrate these rights, I presented Mr Ray and Mr. Cosgrove with a written document identifying each set of rights, which we discussed briefly. Because the proposed formation of PAS was not publicly known at the time, I requested that these documents be returned to me at the end of the meeting, and they were subsequently destroyed.

5. Mr. Ray's response to this information was generally supportive and expressed his recognition that the Transaction would have little, if any, effect on MBTA's commuter rail operations. I informed Mr. Ray that PARI would appreciate MBTA support for this transaction, and I asked if the Application could include a statement that MBTA does not oppose the assignment of the freight easement and the grant of certain trackage rights over the Segment Mr Ray agreed with this request.

6. On or about June 5, 2008, David A. Fink, president of PARI's subsidiaries, Sydney Culliford and I attended a meeting with Thomas Cahir, Wendy Stern and other EOPIW representatives at EOPTW offices in Boston to further discuss the

Application and possible support of the transaction by EOPTW. The next day, a copy of the Application was delivered to Mr. Cahir.

7. Between June 5 and late July, neither I nor, to the best of my information and belief, anyone else associated with PARI was contacted by MBTA or EOPTW to discuss any concerns that either party might have had with the Application, the formation of PAS, or the assignment of freight operating rights and the granting of trackage rights over the Segment.

8. It was not until late July that Mr. Cahir first stated that EOPTW and MBTA may have concerns with the assignment of the 1976 Easement or the grant of trackage rights, although he cited no specific issues. Subsequently, Mr. Cahir stated that EOPTW was unwilling to consent to the assignment of the 1976 Easement to PAS or the grant of certain trackage rights unless other ancillary issues, such as the grant of certain trackage rights to MBTA and the payment of certain monies claimed due from PARI by MBTA, were addressed.

9. On August 6, 2008, Sydney Culliford, Roger Bergeron, John Edwards of Norfolk Southern Corporation and I met with representatives of EOPTW and MBTA to discuss the Application as well as the desire of EOPTW and MBTA to expand commuter rail service to lines owned by PARI that will be contributed to PAS. At that meeting, EOPTW stated its intent to file an objection to the Applicants' request for a declaratory order assigning the 1976 Easement to PAS, notably because EOPTW and MBTA felt that they would lose any leverage that might exist to negotiate for an expansion of commuter rail service in Massachusetts and New Hampshire. Mr. Edwards informed EOPTW and MBTA that PAS would not likely to be opposed in principle to such an expansion,

although the details of any such agreement would need to be negotiated which would require a significant amount of time to complete. He explained the Transaction Agreement provisions regarding furthering the introduction and expansion of passenger traffic on the PAS lines. Further, Mr. Edwards also suggested that if EOTPW and MBTA refrained from filing an objection to the Application to allow time for these negotiations, the Applicants would immediately devote substantial resources to the issue and would not challenge a late filing (over the coming few weeks) by EOTPW or MBTA objecting to the assignment of the 1976 Easement if for some reason those intensified negotiations for the expansion of commuter rail service on PAS was not successful. EOTPW and MBTA acknowledged this offer and stated that they would provide a response to the offer by Friday, August 8, 2008. Rather than accept this offer, however, EOTPW and MBTA simply filed their comments with the STB.

10. On another subject, Pioneer, Valley Railroad ("PVRR"), a wholly-owned subsidiary of Pinsky Railroad Company ("Pinsky"), operates a rail line between Westfield, MA, where PVRR connects and interchanges traffic with CSX Transportation, Inc. ("CSXT") and Holyoke, MA. PARI and Norfolk Southern Railway Company ("Norfolk Southern") have had discussions with PVRR about the rehabilitation and re-activation of an out-of-service interchange facility with Springfield Terminal (and, after the Transaction, with PAS) at Holyoke. PVRR filed comments in this proceeding on August 11, 2008 expressing its conditional support for the Transaction "[c]ontingent on the successful completion of those discussions . . ." Subsequently, PARI, Norfolk Southern and PVRR have had further discussions which have resulted in an understanding memorialized in a letter dated August 20, 2008 from myself and a Norfolk

Southern representative to Mr. John Levine, President of Pinsly, attached as Exhibit 2 to this statement.

11. Also, on September 4, 2008, PARI and Norfolk Southern reached a settlement agreement with RailAmerica, Inc. and its subsidiary, New England Central Railroad, Inc. ("NECR"), which is set forth in a letter attached as Exhibit 1 to Applicants' Response. Among other things, the parties have agreed to the establishment of an interchange between NECR and PAS at Millers Falls, MA. Further, the parties have agreed to enter into a haulage agreement pursuant to which NECR may provide haulage services to PAS between White River Junction, VT and Millers Falls, which PAS will have the option to use in addition to the trackage rights PAS will obtain over that NECR's line between White River Junction, VT and East Northfield, MA. The interchange at Millers Falls will be more efficient than the exiting interchange between Springfield Terminal and NECR at Brattleboro, VT.

VERIFICATION

I, Robert B. Culliford, verify under penalty of perjury that the foregoing statement is true and correct. Further, I certify that I am qualified and authorized to file this statement.

A handwritten signature in black ink, appearing to read "Robert Culliford", is written over a solid horizontal line.

Robert B. Culliford

Executed on September 4, 2008.

VERIFIED STATEMENT OF SYDNEY B. CULLIFORD

Sydney B. Culliford states as follows:

1. I am Executive Vice President and General Counsel of Springfield Terminal Railway Company ("Springfield Terminal") and Boston and Maine Corporation ("B&M") (collectively "PARI"), two of the applicants in this matter. My business address is Iron Horse Park, North Billerica, Massachusetts 01862. I make this statement in support of Applicants' Response to Comments and Requests for Conditions and Rebuttal In Support of Application in Surface Transportation Board ("STB") Docket No. 35147.

2. In advance of the application filed in this matter on May 30, 2008 ("Application"), Robert B. Culliford, Senior Vice President and General Counsel of PARI, and I met with John D. Ray, Director of Commuter Rail Operations of MBTA, and Joseph Cosgrove, the MBTA's Director of Planning, on or about May 7, 2008 at MBTA's offices in Boston, Massachusetts to describe the elements of the Transaction (as that term is defined in the Application) and to inform them of Applicants' intent shortly to file the Application to obtain STB approval of the Transaction.

3. As part of this discussion, Mr. Cosgrove and Mr. Ray were informed that the Transaction for which Applicants would be seeking STB approval would include the formation of a new railroad, Pan Am Southern LLC ("PAS"), and the assignment by Springfield Terminal to PAS of that portion of the freight easement over the Segment as well as PAS's grant of certain trackage rights over the Segment to Norfolk Southern and Springfield Terminal. To demonstrate these rights, Mr. Robert Culliford presented Mr.

Ray and Mr. Cosgrove with a written document identifying each set of rights, which we discussed briefly. Because the proposed formation of PAS was not publicly known at the time, Mr. Culliford requested that these documents be returned to him at the end of the meeting, and they were subsequently destroyed.

4. Mr. Ray's response to this information was generally supportive and expressed his recognition that the Transaction would have little, if any, effect on MBTA's commuter rail operations. Mr. Robert Culliford informed Mr. Ray that PARI would appreciate MBTA support for this transaction, and he asked if the Application could include a statement that MBTA does not oppose the assignment of the freight easement and the grant of certain trackage rights over the Segment. Mr. Ray agreed with this request.

5. On or about June 5, 2008, David A. Fink, president of PARI's subsidiaries, Robert Culliford and I attended a meeting with Thomas Cahir, Wendy Stern and other EOPTW representatives at EOPTW offices in Boston to further discuss the Application and possible support of the transaction by EOPTW. The next business day, a copy of the Application was delivered to Mr. Cahir.

6. Between June 5, 2008 and late July, neither I nor, to the best of my information and belief, anyone else associated with PARI was contacted by MBTA or EOPTW to discuss any concerns that either party might have had with the Application, the formation of PAS, or the assignment of freight operating rights and the granting of trackage rights over the Segment.

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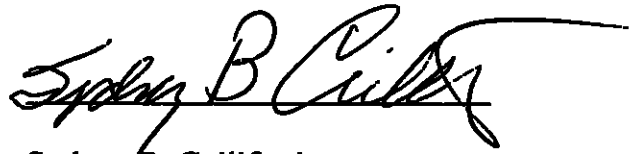
Application as well as the desire of EOTPW and MBTA to expand commuter rail service to lines owned by PARI that will be contributed to PAS. At that meeting, EOTPW stated its intent to file an objection to the Applicants' request for a declaratory order assigning the 1976 Easement to PAS, notably because EOTPW and MBTA felt that they would lose any leverage that might exist to negotiate for an expansion of commuter rail service in Massachusetts and New Hampshire. Mr. Edwards informed EOTPW and MBTA that PAS would not likely be opposed in principle to such an expansion, though the details of any such agreement would need to be negotiated which would require a significant amount of time to complete. Further, Mr. Edwards also suggested that if EOTPW and MBTA refrained from filing an objection to the Application to allow time for these negotiations, the Applicants would not challenge a late filing by EOTPW or MBTA objecting to the assignment of the 1976 Easement if for some reason negotiation for the expansion of commuter rail service on PAS was not successful. EOTPW and MBTA acknowledged this offer and stated that they would provide a response to the offer by Friday, August 8, 2008.

8. Recently, ST reached an agreement with Vermont Rail System railroads to relocate their principal interchange point from Bellows Falls, Vermont to Hoosick Junction, New York. This new interchange point is where which traffic from Vermont customers such as Omayia, Inc. is now primarily transported. The Hoosick Junction interchange point was selected to increase the efficiency of the transportation of such traffic, principally by avoiding the necessity to move cars through PARI's Deerfield Yard, significantly reducing travel times. A large amount of the traffic, consisting of weekly 58-60 car unit trains, is in fact now interchanged by the Vermont railroads with

Springfield Terminal at Hoosick Junction, from where it moves east and west over what will be the PAS main line. This is a much more efficient routing than the previous routing through Bellows Falls, even though it means that less traffic moves over the New England Central Railroad line south of Bellows Falls.

VERIFICATION

I, Sydney B. Culliford, verify under penalty of perjury that the foregoing statement is true and correct. Further, I certify that I am qualified and authorized to file this statement.



Sydney B. Culliford

Executed on September 4, 2008.